

State of Connecticut

GENERAL ASSEMBLY



PERMANENT COMMISSION ON THE STATUS OF WOMEN

18-20 TRINITY STREET
HARTFORD, CT 06106-1628
(860) 240-8300
FAX: (860) 240-8314
Email: pcsw@cga.ct.gov
www.cga.ct.gov/PCSW

Testimony of Barbara Potopowitz Public Information Officer Permanent Commission on the Status of Women Before the Insurance and Real Estate Committee Tuesday, February 15, 2005

RE:

R.B. 6656, AAC Groups Covered Under the State Employee Health Plan
R.B. 6655, AAC Cost Savings Under Small Employer Health Plans and the State Employee Health Plan
R.B. 6654, AAC Small Business Access to Health Insurance

Good morning Sen. Crisco, Rep. O'Connor and members of the committee. My name is Barbara Potopowitz and I am the Public Information Officer of the Permanent Commission on the Status of Women. Thank you for this opportunity to testify regarding strategies to increase access to health insurance for small employers.

As you may know, we convene and collaborate with several groups for which this issue is a top priority: The PCSW convenes the Women's Economic Development Initiative to support the growth of women-owned small businesses, and we work collaboratively with the Connecticut chapter of NAWBO, the National Association of Women Business Owners. Every year, the top priority for the businesswomen with whom we work is securing affordable health insurance for themselves and their employees. We also convene the Connecticut Women's Health Campaign that has identified the problem of uninsured adults in our state as a high priority.

Two years ago, we were very pleased that the General Assembly enacted legislation to open eligibility for participation in MEHIP, the group purchasing pool administered by the Comptroller's Office, to small businesses. Many small business owners were eagerly awaiting the opportunity to purchase health insurance through

MEHIP. However, they have been disappointed to find that the price is not significantly lower than the price they were able to find before, and the plans are still not affordable for many of them.

Two bills before you today will allow the promise of MEHIP to be realized, and will extend the advantage of risk pooling to MEHIP and other association group plans that provide group insurance to small employers. We support C.B. 6655 and C.B. 6656 because they will allow MEHIP and similar associations to pass on significant savings to participating small businesses. The Comptroller projects that the risk pooling alone could reduce premiums by as much as 15%. The proposed bills also would defer payment for two years of the 1.75% premium tax for plans sold to small employers who are not currently providing insurance.

These proposals make good public policy sense: They will help small businesses attract and retain high quality workers; they will lead to greater health and productivity among workers; and they will avoid the high costs we all share when uninsured people need health care.

Approximately 1 out of 10 people in our state, or approximately 350,000, lack health insurance. The rate among adults aged 19-64 is actually higher – 14%. Most uninsured adults are in working families (8 in 10).¹ We need strategies to make health insurance more affordable because failing to provide health insurance to working families is not only bad for their health, it is bad for our economy. When people are uninsured, they delay seeking medical care and are 25% more likely to die prematurely. They also tend to overburden hospital emergency rooms and shift the burden of uncompensated care to all of us.² In fact, the Center for Economic Analysis at UCONN estimates that uninsured residents of Connecticut received approximately \$377 million in uncompensated care in 2002, and that our state loses between \$584 million to \$1 billion each year due to the increased mortality and morbidity of people without health insurance.³

We urge you not to support proposals such as those in C.B. 6654 to allow or encourage insurers to offer policies with benefits that do not meet the minimum standards now required by Connecticut law. We believe such a policy will prove to be ‘penny wise and pound foolish.’ Adequate health insurance that covers routine prevention and screening and offers comprehensive coverage for doctor visits and medically necessary diagnostic tests keep people healthy and productive. Inadequate insurance coverage, like the absence of health insurance, makes it more likely that people will not receive care until their medical condition is more severe and costly.

We hope this will be the year that brings relief to small business owners who are so anxious to secure affordable health insurance for themselves and their employees. Thank you for considering these important proposals.

¹ Connecticut Health Policy Project, *op. cit.*

² Connecticut Health Policy Project, Policymaker Issue Brief #12, August, 2004

³ Stan McMillen, Kathryn Parr, Moh Sharma, *Uninsured: The Costs and Consequences of Living Without Health Insurance in Connecticut*, Connecticut Center for Economic Analysis, University of Connecticut; Universal Health Care Foundation of Connecticut, December, 2004,.

